

Income Tax - Gross Conservation Easement Credit – Fiscal Year Taxpayer (2007 Credit Computation)

A qualified pass-through entity donated a conservation easement worth \$700,000 in January 2007. The entity's tax year was July 1, 2006 through June 30, 2007. The donation qualifies for the gross conservation easement income tax credit.

- Is the credit claimed limited to \$260,000 because the pass-through entity's tax year in which the donation was made began prior to January 1, 2007?
- Is the credit \$350,000 because the donation occurred after January 1, 2007 and the credit will be passed to members whose tax years are calendar year 2007?

The gross conservation easement credit passed through to the members of the entity is \$350,000 because the donation occurred after January 1, 2007. [§39-22-522(4), C.R.S.]